

Before the State of South Carolina
Department of Insurance


In the Matter of:)	
)	Consent Order
Developers Surety and Indemnity)	
Company,)	
)	
17780 Fitch, Suite 200)	File Number 1999284-004-020
Irvine, California 92614.)	100181
_____)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Developers Surety and Indemnity Company, an insurer licensed to transact business in the State of South Carolina.

Developers Surety and Indemnity Company acknowledges that it failed to timely provide requested information to the Department's Office of Insurer Licensing and Solvency Services and that it failed to timely respond to correspondence the Department subsequently sent to it. These are direct violations of S.C. Code Ann. § 38-13-160 (Supp. 1998).

Prior to the initiation of any administrative proceedings by the Department against Developers Surety and Indemnity Company, the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that, in lieu of the Department seeking to revoke Developers Surety and Indemnity Company's certificate of authority, it would immediately pay the amount of \$500 to the Department.


Section 38-13-160 of the South Carolina Code states that, "The director or his designee may require any authorized insurer or its officers to answer any inquiry in relation to its transactions, condition, or any connected matter necessary to the administration of the insurance laws of the State. Every corporation or person must reply in writing to the inquiry promptly and truthfully, and every reply must be verified, if required by the director or his designee, by the

 Developers Surety and Indemnity Company

It is further ordered that a copy of this consent order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective as of the date of my signature below.

January 20, 2000
December 21, 1999
Columbia, South Carolina


Ernst N. Csiszar
Director

I CONSENT:


Signature

Albert Hillebrand
Printed Name

Corporate Counsel, Regulatory Affairs
Title

Developers Surety and Indemnity Company
17780 Fitch, Suite 280
Irvine, California 92614

Dated this 21st day of December 1999.

— Developers Surety and Indemnity Company


individual or by the officer or officers of a corporation as he designates.” Section 38-5-120 states, in pertinent part, that the Director of Insurance “shall revoke or suspend certificates of authority granted to an insurer . . . if he is of the opinion upon examination or other evidence that . . . (t)he insurer has not complied with the law or with the provisions of its charter.” Alternatively, § 38-5-130 provides that “in lieu of license revocation or suspension” the Director “may impose a monetary penalty as provided by § 38-2-10.”

After a thorough review of the record, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law, that Developers Surety and Indemnity Company has violated S.C. Code Ann. § 38-13-160 (Supp. 1998). Although I can now revoke the insurer’s certificate of authority, I hereby invoke the discretionary authority given to me and require Developers Surety and Indemnity Company to pay \$500 to the Department within ten days of the date of my signature upon this consent order. If that total amount is not timely paid, the insurer’s certificate of authority will be revoked without any further disciplinary proceedings.

This agreement has been reached by the parties as a result of negotiation and compromise, and in consideration of Developers Surety and Indemnity Company’s assurance that it will timely respond to this Department’s future requests for information. By the signature of one of its officers or authorized representative upon this consent order, Developers Surety and Indemnity Company acknowledges this administrative order as a public record subject to the disclosure requirements of the State of South Carolina’s *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 1998).

Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, of the Director of Insurance, exercised either directly or through the Department of Insurance, to “report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report.” *See* S.C. Code Ann. § 38-3-110 (Supp. 1998).

It is, therefore, ordered that Developers Surety and Indemnity Company shall, within ten days of the date of my signature on this consent order, pay \$500 through the South Carolina Department of Insurance.

 Developers Surety and Indemnity Company